

## Wall Street's Technological Dive



### Computers Led Plunge

By John Crudele  
New York Times Service  
NEW YORK — The U.S. stock market's plunge last week was as much a product of computer technology and Wall Street inventiveness as it was a reflection of new worries over the economy.

Part of the market's decline

clearly relates to emerging concerns on Wall Street over the fall of interest rates to come down further.

High interest rates impede a drag on all economic activity, from the purchase of new homes and cars to investment in factories and equipment, thus pressuring a bleak period for the economy.

But at least as important, experts say, is the new order on Wall Street. The computerization of capital markets and instruments with advanced computer capabilities has introduced a degree of uncertainty and volatility previously unknown.

Last Thursday, the widely watched Dow Jones average of 30 industrial stocks plunged by 86.61 points, far surpassing the previous record of 61.87 points, set July 7.

More than 237.5 million shares listed on the New York Stock Exchange changed hands, also a record.

That was followed Friday by a fall of 34.17 points in the industrial average. More than 241.6 million shares were traded, again a record.

It brought the total decline for the week to 141.03 points, or 7.4 percent.

Wall Street analysts are shocked by the abruptness of it.

"People in the business for a lot of years have seen this kind of thing before," said one analyst.



The basement off the Champs-Elysees where the bomb exploded. Above, Jacques Chirac during his radio interview.

## Paris Changes Visa Rules to Fight Terror

By Michael Dobbs  
Washington Post Service

PARIS — Prime Minister Jacques Chirac announced Sunday that all foreigners, except European Community and Swiss nationals, would need visas to enter France.

The measure takes effect immediately.

Mr. Chirac, announcing a package of anti-terrorism measures to halt a nine-month bombing campaign in which 5 persons have been killed and more than 200 injured, said the visa requirement would be initially introduced for six months.

He threatened "draconian" reprisals against the organizers of the bombing campaign.

A few minutes before the prime minister spoke in a radio interview, a bomb exploded in the Champs-Elysees. It was the third explosion in the French capital in a week.

(One policeman died a few hours after the blast. Reuters reported. Another police officer and a waiter were seriously injured.)

Mr. Chirac's announcement was the toughest statement yet made by the government in reply to demands by a Middle East group for the release of convicted terrorists in detention in French prisons.

Responsibility for the previous blasts has been claimed by a group calling itself the Committee for Solidarity with Arab and Middle Eastern Political Prisoners.

The group has threatened to step up its bombing campaign unless France releases Georges Ibrahim Beaudouin, a Lebanese citizen suspected of involvement in the 1982 murder of a U.S. and an Israeli diplomat in Paris.

Mr. Chirac said that the government would not yield to demands for the release of Mr. Beaudouin, who is serving a four-year prison sentence for involvement in terrorist activities.

U.S. officials had earlier privately expressed concern that Mr. Beaudouin might be freed from prison in exchange for an end to the bombing campaign.

Mr. Beaudouin's lawyer has asked the previous Socialist administration to release him on the grounds of a 1981 agreement to free his client in return for the release of a kidnapped French official in Lebanon, Gilles Perreault.

The deal reportedly collapsed after French counterintelligence agents raised an apparent red flag.

Mr. Beaudouin and his associates were arrested in 1982 on charges of plotting to assassinate a U.S. military attaché, and an Israeli diplomat, Yassov Barasman.

Other measures announced by the government include:

See PARIS, Page 6

## Daniloff Says Prison Was 'Mental Torture'

By Gary Lee  
Washington Post Service

MOSCOW — Nicholas Daniloff, the U.S. journalist charged with espionage, said Sunday he was not subjected to "mental torture" during the 13 days he spent in the Lefortovo prison in Moscow.

He said he had realized from the moment of his arrest on Aug. 30 that he was a "victim of provocation."

Mr. Daniloff, 51, the Moscow correspondent for U.S. News & World Report, was released from prison Friday into the custody of the U.S. charge d'affaires in Moscow, Richard Coombe. Mr. Daniloff still faces charges of spying against the Soviet Union.

He used his first full public appearance since his arrest to make his conviction that he was framed by the KGB, the Soviet secret police and intelligence agency, and to warn other Western reporters that they, too, are vulnerable.

Mr. Daniloff said the turn-up was assigned to give Moscow leverage in gaining the release of Gennadi G. Zakharenko, a Soviet spy who was arrested in New York City and charged with spying for the U.S. before Mr. Daniloff's arrest.

Mr. Zakharenko was released Friday to the custody of Yuri V. Dubinin, the Soviet ambassador to the United States, in an arrangement worked out by U.S. and Soviet diplomats.

Mr. Daniloff dismissed Soviet allegations that he had admitted working with the CIA as a "crazy distortion of my testimony."

A spokesman for the Soviet Foreign Ministry, Genadiy Gerasimov, said at a press conference Saturday that Mr. Daniloff had been operating on the instructions of a Moscow resident, a former U.S. Embassy official. According to the Soviet news agency Tass, Mr. Daniloff had been the CIA station chief in Moscow.

In a brief report on Mr. Daniloff's press conference Sunday, Tass labeled the American reporter a "CIA agent." Tass added that he "testified during the investigation that he had been working for a military character, he took part in the CIA's instructions in the espionage act of establishing secret communications with a Soviet agent."

But Mr. Daniloff returned to the point of his government. Describing himself as "the victim of provocation," he told the other reporters in Moscow that "what's happening to me is a problem that involves all of you."

He added that "all of you are potential targets of this kind of action."

Asked to describe the conditions in the Lefortovo prison, Mr. Daniloff said:

See DANILOFF, Page 6

## Bomb Kills 5 at Seoul's Airport; Government Suspects North Korea

By John Burgess  
Washington Post Service

TOKYO — A bomb exploded Sunday in a crowded arrival lobby in Seoul's international airport, killing 5 persons and injuring at least 19, South Korean police said.

The South Korean authorities suggested that the explosion, which occurred six days before the opening in Seoul of the Asian Games, was the work of North Korean agents. The incident was similar to past bombings by the North, they said.

The national police chief, Kang Min Chang, said, "Intensive investigation will be carried out to find the criminals, who may have been sent from North Korea or have been people under North Korean direction."

Thousands of athletes, officials and journalists involved in the Asian Games passed through Seoul's Kimpoo International Airport in recent days.

All the casualties in Sunday's attack appeared to be South Korean nationals, the authorities said.

Police said the bomb was placed in a trash can in a public lobby. The explosion shattered 11 large plate glass windows and destroyed part of an information desk and car rental counter, they said.

The South Korean government has repeatedly said North Korea might try to disrupt the games. Winning the right to be host of the games was a triumph for the South in its competition with the North for world recognition.

The games are also viewed as a dry run for the 1988 summer Olympics, which also are to be held here.

The North Korean news organizations have repeatedly said that South Korea should not have been granted the right to be the host of the games. South Korea has a strong anti-Communist government and 40,000 U.S. troops are stationed in the South.

South Korean analysts say the North is unhappy that so many foreign countries are sending teams to the games.

## No Big Loss Is Seen for Republicans in U.S. House

By E.J. Dionne Jr.  
New York Times Service

WASHINGTON — While national attention has focused on the election to determine which party controls the Senate, political analysts say the Republicans, remarkably, are likely to avoid any serious losses in the House of Representatives this year.

Experts from both parties agree that the Democrats will maintain control of the House in the November election but their chances for dramatic gains are minimal.

The analysts are speaking instead of the Democrats picking up 10 to 15 seats, much less than usual when one party has controlled the White House for six years. The average shift has been 48 seats in the last three elections held at mid-term — those in 1974, 1966 and 1958.

Currently, there are 252 Democrats in the House, 180 Republicans and three vacancies.

Both sides caution that dramatically bad economic news, such as a continuation of the slide in the stock market last week, could alter the picture substantially.

"I thought we were in pretty good shape in October of 1982," said Joseph Geyrold, executive director of the National Republican Congressional Committee. But when the national unemployment rate rose to more than 10 percent in mid-October of 1982, Republicans all over the country dropped sharply in the polls.

Both parties agree that the estimates of a Democratic gain of 10 to 15 seats, while realistic, are as much a guess as they are the result of careful analysis.

The figure has been popular with each side partly because it would allow each to claim victory.

The Republicans could cite it as a minimal loss, while the Democrats could say they had restored themselves to within about 10 seats of where they were when President Ronald Reagan was first elected in 1980.

"We've been in the ring six years with the heavyweight champ and we only lose 10 seats," said Martin D. Frank, executive director of the Democratic Congressional Campaign Committee. "That's not much of a loss."

As for the Republicans, Mr. Geyrold contended that such a loss would be "dramatic in reversing the trend of big losses at this point in a president's term."

One reason that guesswork is an important calculation in estimating the overall House result is that many incumbents who seem at risk in September usually manage to hold their seats come by the day of the election.

The re-election rate of incumbents has been about 92 percent since 1950.

Thus, when party officials analyze the election seat by seat around the country, they see as many as 31 seats now held by Democrats that could move to the Republicans.

But in practice, neither side expects anything like this sort of dramatic shift.

In any event, many of the individual changes will offset one another.

One liberal political action committee, the National Committee for an Effective Congress, after a detailed analysis of all 435 seats, found it possible that the Republicans would suffer no net loss at all.

The last time that the party controlling the White House lost nothing at mid-term was in 1946.

See HOUSE, Page 6

## Aquino: Beset With Problems

She's Highly Popular but 'Surrounded by Crocodiles'

By William Brannigan  
Washington Post Service

MANILA — Less than seven months after she came to power in a largely peaceful uprising that was hailed around the world, President Corason C. Aquino is in trouble.

As she heads to Washington for a crucial first meeting with President Ronald Reagan this week, the 53-year-old Mrs. Aquino, known here as "Cory," remains highly popular among her 55 million compatriots.

But for all her unquestioned popularity and good intentions, there are signs of growing pessimism about her ability to handle the country's problems. The euphoria that accompanied her "people's power" revolution has largely given way to a sense that these problems may overwhelm her in the difficult times ahead.

Her government increasingly is perceived to be floundering amid the wreckage left by the administration of the deposed president, Ferdinand E. Marcos. But it is also weighed down with problems of its own making.

While she holds the middle ground and has her best bet to reflect the question of her 26-month cabinet, central forces inevitably are pulling apart her untested leadership, ideological differences and personality clashes.

Compounding her problems have been new gains by the radical left, the questionable loyalty of some elements in the military, the failure of the business community to make investments, a volatile labor situation, nationwide flooding over the appointment of more than 1,600 governors and mayors, and the likelihood that the Aquino government will not restore government control of the future legislature.

This assessment is based on interviews with government officials, military officers, Communist rebels, church leaders, diplomats and

a variety of other sources in different parts of the country over the last several months.

Part of the problem is that Cory, having been brought to power as a sort of symbol who presides over warring groups, is not inclined to confront with open hostility the groups she wants to be above it all.

"She knows she is very popular, but the danger is that she is quite capable of easily losing it," he added. "There's no doubt."

Some officers openly discuss staging a coup if the government's perceived leftward drift becomes intolerable.

Having been vaulted into political prominence by the 1983 assassination of her husband, Benigno S. Aquino Jr., the former housewife clearly has been "growing in the job" and steadily acquiring more confidence as the Philippines' second president.

Marco loyalists still have a potential for disruption and outbreaks of violence against the Aquino government, but they pose no serious threat of overthrowing it.

Besides showing greater self-confidence, Mrs. Aquino has upped her reputation for competence, honesty and integrity, which are virtues generally agreed to be badly needed after the Marcos era.

In the interview, Mrs. Aquino said she was a member of no political party.

See AQUINO, Page 6



Corason Aquino of the Philippines exchanging symbolic gifts with Mario Yag-Ao, a tribal insurgent, at a truce signing. At right is the Reverend Conrado Balweg, the rebels' leader.

## Philippine Tribe Agrees to Truce

New York Times Service

MANILA — President Corason C. Aquino has signed the signing of a truce with a small tribal insurgency led by a Catholic priest.

After a journey Saturday to the Cordillera mountains north of Manila came after a similar trip the previous week to the island of Mindanao, where she separated a cease-fire with Muslim separatists. The new second is a new ferry line connecting the island of Mindanao to the Philippine's Liberation Army.

The leader of the insurgency, the Reverend Conrado Balweg, gave Mrs. Aquino a spear and a tribal shield. Defense Minister Juan Ponce Enrile presented Mr. Balweg with an M-16 rifle.

Mr. Balweg and two local officials of the Cordillera People's Army signed an agreement to cease hostilities and set up negotiating panels.

## New Technology Comes Diamond-Covered

By Malcolm W. Browne  
New York Times Service

NEW YORK — Scientists have discovered a way of coating objects with thin films of synthetic diamond, an achievement that they believe has opened a new era for electronics, optics, machine tools, chemical processing and military technology.

Some of the most advanced developments are taking place outside the United States, and American scientists are rushing to catch up.

Developments around the world in recent months have been so rapid that a wide cross-section of American industry and the Pentagon's Strategic Defense Initiative Organization, which is developing a space-based missile defense, have joined the drive to exploit diamond technology.

Experts say that diamond-coated processes would be cheap enough, moreover, to make diamond film a common manufacturing material.

Although many diamond films will be no more visible to the unaided eye than coatings of transparent lacquer, they would radically improve the quality of the objects they coated.

Long-wearing tools and bearings coated with diamond film and powerful new optical systems for scientific instruments, communications and weapon systems are some of the intended applications.

Others are scratch-proof lenses and windows, ultra-high-fidelity diamond loudspeakers and a new generation of high-speed solid-state devices impervious to the radiation of nuclear blasts. Diamond coatings could improve a range of devices extending from the most advanced rocket engines to razor blades, experts say.

The Soviet Union has succeeded in developing diamond films more than one millimeter (.04 inch) thick. Next year, Sumitomo Electric Industries of Japan is expected to begin producing the world's first diamond composite chips.

In the United States, scientists at Pennsylvania State University are among the leaders in diamond research, and Penn State held a conference Wednesday to inform American industry of the latest developments and possibilities.

Representatives of more than 40 companies,

including many of the giants of American industry, attended the meeting.

Participants were offered the chance of joining in the diamond-coating consortium on diamond coatings, and even with due set at \$20,000 a year, the participants seemed enthusiastic.

"This bunch is here for just one reason: fear," said Thomas A. Schaller of Cypriotes, a California research and development laboratory.

"Everyone at this meeting knows that the Russians and Japanese are years ahead of us in diamond technology, and they are making developments abroad at an amazing rate."

The agency of the diamond program was announced two months ago when the Strategic Defense Initiative Organization announced a program called the Diamond Technology Initiative. The organization allotted \$2.7 million for the initial diamond research program, which is to be administered by the Office of Naval Research.

Penn State was awarded \$700,000, and other

See DIAMOND, Page 6



Elton John spotted at a party in New York City.

## EMPLOYMENT

### DOMESTIC POSITIONS AVAILABLE

JEAN FRANCOIS, a Frenchman, is looking for a job in the U.S. or Canada. He is a native speaker of French and English. He is a graduate of the University of Paris. He is a member of the French Bar. He is a member of the French Academy. He is a member of the French Institute. He is a member of the French Society. He is a member of the French Club. He is a member of the French Association. He is a member of the French League. He is a member of the French Union. He is a member of the French Republic. He is a member of the French Empire. He is a member of the French Commonwealth. He is a member of the French Federation. He is a member of the French Confederation. He is a member of the French Association. He is a member of the French League. He is a member of the French Union. He is a member of the French Republic. He is a member of the French Empire. He is a member of the French Commonwealth. He is a member of the French Federation. He is a member of the French Confederation.

### DOMESTIC POSITIONS WANTED

ALAN P. GORDON, a native-born American, is looking for a job in the U.S. or Canada. He is a native speaker of English. He is a graduate of the University of California. He is a member of the American Bar. He is a member of the American Academy. He is a member of the American Institute. He is a member of the American Society. He is a member of the American Club. He is a member of the American Association. He is a member of the American League. He is a member of the American Union. He is a member of the American Republic. He is a member of the American Empire. He is a member of the American Commonwealth. He is a member of the American Federation. He is a member of the American Confederation.

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### FOR MORE CLASSIFIED

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### INSIDE

#### GENERAL NEWS

General Assembly of the United Nations. The assembly is the main deliberative, policymaking and representative organ of the United Nations. It has 193 member states. It is the only body in the United Nations that can speak for all the peoples of the world. It is the only body in the United Nations that can make recommendations to all the member states. It is the only body in the United Nations that can adopt resolutions that are binding on all the member states. It is the only body in the United Nations that can elect the members of the Security Council. It is the only body in the United Nations that can elect the members of the Economic and Social Council. It is the only body in the United Nations that can elect the members of the Trusteeship Council. It is the only body in the United Nations that can elect the members of the International Court of Justice. It is the only body in the United Nations that can elect the members of the World Health Organization. It is the only body in the United Nations that can elect the members of the World Bank. It is the only body in the United Nations that can elect the members of the International Labour Organization. It is the only body in the United Nations that can elect the members of the United Nations Educational, Scientific and Cultural Organization. It is the only body in the United Nations that can elect the members of the World Meteorological Organization. It is the only body in the United Nations that can elect the members of the World Tourism Organization. It is the only body in the United Nations that can elect the members of the World Intellectual Property Organization. It is the only body in the United Nations that can elect the members of the World Trade Organization. It is the only body in the United Nations that can elect the members of the World Customs Organization. It is the only body in the United Nations that can elect the members of the World Health Organization. It is the only body in the United Nations that can elect the members of the World Bank. It is the only body in the United Nations that can elect the members of the International Labour Organization. It is the only body in the United Nations that can elect the members of the United Nations Educational, Scientific and Cultural Organization. It is the only body in the United Nations that can elect the members of the World Meteorological Organization. It is the only body in the United Nations that can elect the members of the World Tourism Organization. It is the only body in the United Nations that can elect the members of the World Intellectual Property Organization. It is the only body in the United Nations that can elect the members of the World Trade Organization. It is the only body in the United Nations that can elect the members of the World Customs Organization.

Shimon Peres vowed to continue efforts toward a Middle East peace conference, opposing the Yitzhak Rabin. Page 2.

The Reagan administration is trying to restore money cut from the UN budget. Page 3.

In the Ivory Coast, prosperity is closely linked to the country's ties with France. Page 6.

European efforts have scaled back their estimates for passenger and profit growth. Page 11.

The agreements to the General Agreement on Tariffs and Trade talks took place in Uruguay amid discord. Page 11.





BRIEFS

**Black Schools**  
A government study has found that the schools were in the worst condition in the country, and that the situation in the schools was a national emergency.

**ed in Seychelles**  
A government has announced that it will be taking steps to improve the situation in the country, and that it will be taking steps to improve the situation in the country.

**ace Party Head**  
A government has announced that it will be taking steps to improve the situation in the country, and that it will be taking steps to improve the situation in the country.

**Bolivian Unrest**  
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**ce to Nicaragua**  
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**testant Leader**  
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AMERICAN TOPICS

Self-Made Rich Fear Spoiling Offspring

Being born into a wealthy family doesn't always guarantee a large inheritance, especially for first-generation fortunes, according to a survey by Fortune magazine.

Of 30 millionaires who were polled by the monthly business publication, one-fifth said their children would be better off with only minimal bequests and nearly half planned to leave at least as much to charity as to their heirs.

Warren E. Buffett, chairman of the Berkshire Hathaway investment firm and a self-made billionaire, said he would leave his children a small amount of money, but not enough to live on.

**Notes About People**  
Johnny Cash, who is Miss Tennessee and the grandniece of...

**Athlete's Autopsy Reviewed**  
Washington Post Service  
WASHINGTON — A review of the autopsy report on Luis...

'People Are With Me,' Pinochet Maintains as He Warns Washington

By Shirley Christian  
New York Times Service  
SANTIAGO — President Augusto Pinochet, speaking less than a week after an assassination attempt, has asserted that "all the people are with me."

The 70-year-old general said in an interview Friday that he had received a great outpouring of support since his monorail was ambushed Sept. 7, killing five of his bodyguards.

The government reacted by imposing a state of siege, rounding up political opponents and closing all opposition magazines.

**Short Takes**  
Poverty causes crime, it is said, but James F. Stewart, director of the U.S. Justice Department's National Institute of Justice, says that crime also causes poverty.

'Scoundrels' Expelled by Costa Rica

Nation's Image as Last Refuge Fades With Deportations  
By Stephen Kinzer  
New York Times Service  
SAN JOSE, Costa Rica — The image of Costa Rica as a refuge for people with nowhere else to hide is quickly fading.

In recent weeks the government has begun deporting what Interior Minister Guido Fernandez Sabarido calls "scoundrels," and many of these people have lived in Costa Rica for years.

Officials said the government was considering action against more than 20 others.

Reversing UN Policy That Backfired, Reagan Seeks to Restore Fund Cuts

By Elaine Sciolino  
New York Times Service  
UNITED NATIONS, New York — After a wave of congressional budget cuts that could severely limit the United Nations, the Reagan administration has quietly started a campaign to reverse that trend and bolster the organization, according to administration officials.

Until recently, the administration had consistently criticized the United Nations, complaining of resolutions and programs hostile to American interests, a mismanagement and bloated bureaucracy manipulated for the purposes of the Soviet bloc, and irresponsible spending.

These criticisms were reflected in cuts by Congress in the last year, from withholding for specific programs and policies to across-the-board reductions. These cuts could have as high as \$149 million, or 70 percent of the total that the United States is required to pay the United Nations next month.



Augusto Pinochet

**International Labor Organization**  
UNESCO is the United Nations Educational, Scientific and Cultural Organization.

General Pinochet remarked that Chile had paid the quota to the international lending agencies and had not sought to avoid responsibility for its \$19-billion foreign debt.

**13 U.S. Air Controllers Are Called Drug Users**  
New York Times Service  
LOS ANGELES — The Federal Aviation Administration has announced that 13 of 34 air traffic controllers under investigation at Palmdale, California, were found to have used drugs.

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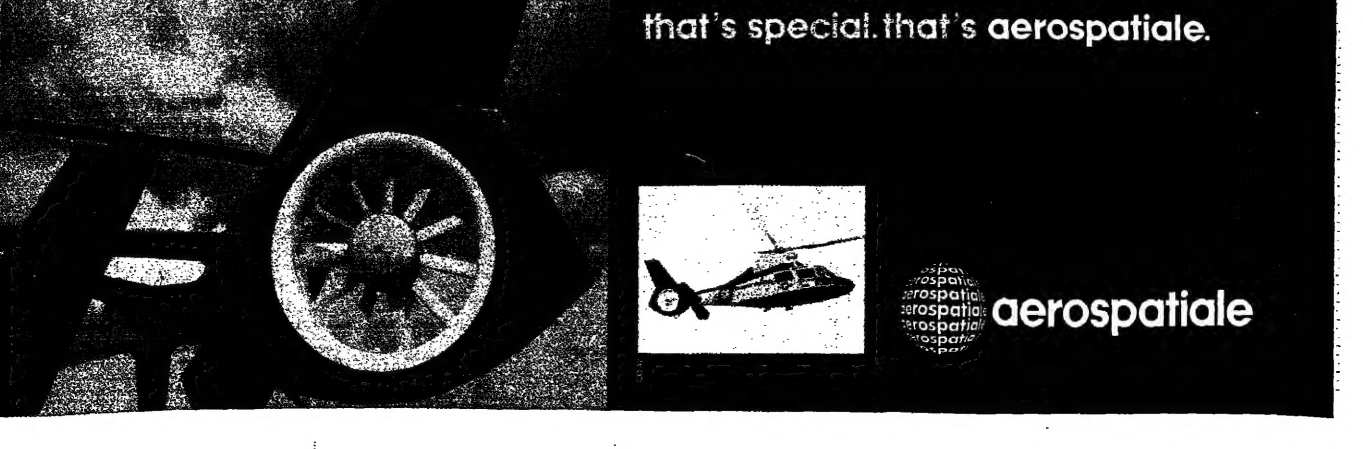


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How to save a drowning man in a 35-knot crosswind

Rescue work at sea is seldom done in fine weather and calm seas. That's why the United States Coast Guard demands stringent requirements for their helicopters, including stability in flight — even in strong crosswinds — and protection against potential tail-rotor accident hazards.



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# Prosperity in Ivory Coast Is Linked to Ties With France, but Some Lament the Cost

By Blaine Harden  
Washington Post Service

ABIDJAN, Ivory Coast — In the gleaming skyscrapers of this most African of African capitals, built imported from France is sold as "best." Most produced here is apologetically sold under a sign that says "local beef."

The streets of Abidjan are named for French colonial administrators. There is a street for every French president since Charles de Gaulle, a street has been fashioned after the Champs-Élysées and there is a fancy neighborhood called the Riviera. No street is named after an African leader.

President Félix Houphouët-Boigny, whose sumptuous residences are decorated with French art and Louis XV furniture, recently ordered that the name of his country should no longer be translated. By decree, it will hence be French colonial name, Côte d'Ivoire.

Over the past quarter century,

the nation of 10 million people has been trumpeted as an "African success story." It has enjoyed one of the world's highest rates of economic growth. It now leads the world in cocoa production and is the third-largest coffee producer.

The highways are smooth and wide, the telephones work, the currency is sound and the stores are full of the kind of fancy consumer goods that only rarely seen in Africa. Local businessmen say there is less official corruption than anywhere else in Black Africa.

Prosperity and devotion to things French are inextricably linked in the Ivory Coast. The post-independence adoration of the nation to its former colonial ruler has proved extraordinarily lucrative.

While beguiled countries on its borders struggle to revive economies ruined by inept governments and military coups, the Ivory Coast is politically stable, attractive to foreign investors and far too rich to qualify for handouts from such do-

ners as the U.S. Agency for International Development.

For the Ivory Coast people, though, the close ties to France have not been without their costs. Many educated young people complain that Mr. Houphouët-Boigny's government has struck a kind of French bargain with the French, buying national prosperity at the price of the nation's soul. The neocolonial bargain, these critics complain, guarantees the French unfair access to and control over the country's wealth.

At the same time, they say, it has neutered the country's foreign policy, making the Ivory Coast government far more attentive to France than to its role as an economic and political actor in Africa.

There are about 35,000 French nationals in the Ivory Coast, more than three times as many as at independence in 1960 — although the number is down by 30 percent from five years ago. The French run or help to run nearly all the important industries.



Félix Houphouët-Boigny

President Houphouët-Boigny advises the president and most of his key ministers. Last year, according to French government figures, one-

Many educated young people complain that Houphouët-Boigny's government has bought national prosperity at the price of the nation's soul.

of information recently explained the international agreement that accounts for the Ivory Coast's boom. Boigny long struck a deal with the French which accorded to them priority in its economic life, secured them of immunity from the threat of nationalizations," he said, and gave the French "the untrammeled possession of the French life-style here."

In exchange, the official said, Mr. Houphouët-Boigny expected "substantial investment, assurance of security and a consistent balancing of his international image."

For the most part, each government seems to have got what it wanted from the arrangement. French businessmen can, with no restrictions, send their profits home to France. Since the French government guarantees the value of the Ivorian currency (along with the currency of 12 other francophone African nations), the so-called franc zone, French businessmen are guaranteed that their profits are convertible to hard currency.

The Ivory Coast, with French-backed currency and French technical advice, has grown far faster than such neighbors as Ghana or Guinea. It had a 61-percent increase in per-capita income in its first two decades.

But critics say opportunities for educated Ivorians remain constricted because of French dominance in business and, to a lesser extent, in government.

Mr. Houphouët-Boigny, 80, is serving his sixth five-year term as president and shows little interest in stepping down, makes no apology for the French economic role. Neither does he apologize for the military support provided by French soldiers stationed around Abidjan.

"We have no complexes about this," Mr. Houphouët-Boigny has said.

Despite the emergence of the Ivory Coast as an economic power,

it has not become an influential actor in world affairs. Neither is Mr. Houphouët-Boigny, one of the founding fathers of independent Africa, a leading voice in continental affairs.

Expatriate business leaders and Western diplomats disagree with the Ivorian consistently has helped trigger widespread farm-based growth.

"The reason things are quiet here is that too many people see that things work in the Ivory Coast," said one Western businessman who has lived in Abidjan for more than a decade.

They have seen the mess their country has made in the name of independence, he said. "The people here are not willing to throw it all away."

## DANILOFF

Confession Denied

(Continued from Page 1)

U.S. delegates had withdrawn to protest the spying charges against Mr. Daniloff. The Associated Press reported.

Among those who had withdrawn from the conference, due to start Monday, were Richard N. Perle, an assistant secretary of defense; Alan L. Koye, an assistant secretary of state; James J. Kilpatrick, a former U.S. representative to the United Nations; Robert C. MacFarland, a former national security adviser; and Senator Bill Bradley, Democrat of New Jersey.

Journalists Denis



Nicholas Daniloff

## HOUSE:

No Certain Losers

(Continued from Page 1)

was in 1954, when Franklin D. Roosevelt was in his first administration. The Democrats gained nine seats that year.

A key reason why the House Democrats cannot expect large gains this year is that they survived the 1984 Reagan election landslide remarkably well.

When Mr. Reagan was first elected president in 1980, he believed the Republicans had lost 26 seats in 1982 and then lost only 14 in 1984.

As a result, officials of both parties said, there is a far smaller "midterm correction" to be made this year than few Republicans freshmen are up for re-election.

In only two states, North Carolina and Texas, did Mr. Reagan's 1984 landslide sweep in a substantial number of Republican House candidates. With four freshmen Republicans running in North Carolina and six in Texas, the two states have become the major battlegrounds for the House.

The Democrats' best hope this year is that concerns over the state of the economy will grow, Mr. Frank said.

"Does the economy become a top concern on Oct. 1 or Feb. 17?" asked Mr. Frank. "It happens on Nov. 1. It will have a profound effect on the elections."

## DIAMOND:

New Technology

(Continued from Page 1)

research institutions sharing in the costs of the research. The research is being done at the University of Durham, North Carolina, and the Lincoln Laboratory of Massachusetts Institute of Technology.

Several diamond-coating processes are under study, but most of them make use of methane, the main constituent of natural gas. The methane molecules consist of a single atom of carbon surrounded by four hydrogen atoms.

"What these processes do," said Dr. Russell Messier of Penn State, "is to strip away the hydrogen atoms from the methane molecules, leaving the remaining carbon atoms to link together as they are deposited on the object being coated. Carbon ordinarily crystallizes in the form of graphite, but by controlling the conditions, we get it to crystallize in virtually 100 percent diamond form."

In Penn State's diamond-coating apparatus, a mixture of hydrogen and methane is passed through a microwave discharge that forms gas molecules apart to form an electrically charged plasma. The plasma comes into contact with the object to be coated, since some of the carbon bombards the object's surface, and the gradually accumulating carbon atoms link together.

"Really, what we've done here up to this point is not much," Mr. Messier said. "We are essentially confirming results that were reported earlier by the Russians and the French, and the gradually accumulating carbon atoms link together."

"When I've seen it, I would say that in the next month or two the Russians will have some rather sensational results. They're almost 10 years ahead of us."

Unlike glass, diamond is completely transparent to infrared light and microwave frequencies. The Office of Naval Research therefore expects researchers to explore the possibilities of a wide range of diamond lenses and optical components that would be useful for scientific research as well as military satellites and missiles.

## MARKET:

Selling Prompted by Computers Led Wall Street's Plunge

(Continued from Page 1)

cracks appeared when the higher interest rates immediately dragged down the price of futures contracts for stocks and bonds.

Contracts such as the Chicago Mercantile Exchange's S&P 500 Stock Index futures, introduced four years ago, allow investors to buy and sell stocks without having to buy individual shares.

The price of the Standard & Poor's index contract generally moves up and down with the value of the 500 stocks in that index. That

## The computer programs all react at the same time, they buy or sell millions of shares.

Thus, they usually have a big impact, catching the average investor in the tide.

is because, when the contract expires, an investor who bought the contract can collect those 500 stocks, or the cash equivalent, from an investor who had sold that contract.

But prices for the futures contracts react to changes in the outlook for the economy much faster than the actual stock prices.

Futures traders focus more on trends, such as when the economy moves into or out of recession, than on the day-to-day fluctuations of individual stocks.

This means the price of the futures contract can be something other than merely the arithmetic total of the 500 stocks that make up the index. That difference, usually slight, nevertheless opens an opportunity for profit.

In rough terms, the index-futures contract can be something other than the arithmetic total of the 500 stocks that make up the index. That difference, usually slight, nevertheless opens an opportunity for profit.

In rough terms, the index-futures contract can be something other than the arithmetic total of the 500 stocks that make up the index. That difference, usually slight, nevertheless opens an opportunity for profit.

## Visa Decision

Takes Airlines in U.S. by Surprise

International Herald Tribune

WASHINGTON — Prime Minister Yitzhak Rabin's announcement Sunday that foreign airlines, including American, would be allowed to fly to Israel, a decision that surprised many in France took airlines by surprise.

Another factor was that Wall Street was in a good position to overreact.

Over the past few years, while the Dow Jones has climbed to more than 1,500 from 776, investors have watched their investments grow by billions of dollars. They cannot let these profits, however, until they sell their shares.

When uncertainty grew over the stock market's prospects, investors often choose to cash in their holdings and take what profits they can, rather than watching them erode.

Timing may have played a role in the computer program trading, too. At that time, the price of the contract and the price of the underlying stocks must be equal, and big investors must exit from these investing contracts by that time.

But while program trading would ordinarily have been expected to move the market sharply on that date, some of the trading may have been moved forward to last week because of pressure from the Securities and Exchange Commission.

Earlier last week, in an effort to prevent uncertainty over the market, the agency said it would crack down on last-minute unwinding of contracts. It expects that the unwinding process began last week.

As for the economy, many analysts still consider it the most important factor in determining how the stock market should be valued. "Interest rates cannot go down much more," said Allen Smith, chief economist with Shearson, Hamman, & Associates Inc., the brokerage firm. "The economy is too much of a high inflation and interest rates are too high."

## PARIS:

Visas Required

(Continued from Page 1)

Mr. Chirac included the deployment of 1,000 soldiers along Israel's borders and sea borders to reinforce frontier controls.

The new visa regulations will be in force Monday, Mr. Chirac said.

The measure, announced following a meeting earlier Sunday, chaired by Mr. Chirac, of the government's security committee, including Interior Minister Charles Pasqua; Security Minister Robert Badinter; Foreign Minister Jean-Benoît Kervadec; and Justice Minister Alain Chabat.

The visa requirements marked a dramatic shift away from France's open border policy of the past few years.

They will apply to citizens from the United States as well as many Middle Eastern countries who were previously able to enter France without a visa.

Acknowledging that the visa restrictions would cause inconvenience, Mr. Chirac asked for an understanding of foreign governments. He said that the new regulations were designed to make it more difficult for terrorists using false passports to enter France.

Political analysts said that the new anti-terrorism package reflected the conservative government's embarrassment over the bomb attacks.

Promises to strengthen law and order formed a central plank in the right's electoral campaign in March.

Describing the campaign against terrorism as a "war," Mr. Chirac said several times that "those who manipulate the terrorists will be the victims of their policies."

He said that the French secret services would be used to track down and arrest terrorists and pointedly refused to comment when asked if this meant that the French government would "soon launch any higher level of clandestine assassinations in certain circumstances."

In his latest statement to foreign press, Mr. Chirac said on Sunday, the solidarity committee said the French government would "soon launch any higher level of clandestine assassinations in certain circumstances."

The two policemen involved in Sunday's blast had been called to the Paris Remains, a popular cafe behind Renault automobile showrooms, on the Champs-Élysées to inspect a suspect package.

The package exploded when it was opened. The two policemen carried it down to a basement.

Police sources said the device was similar to one that killed a Frenchman in Paris in 1984.

Police also said that the responsibility for the blast.

## Howard Denies Spying

Edward Lee Howard, a dismissed CIA employee who defected to Moscow and last month was granted political asylum, said Sunday the Soviet Union was his target No. 1 for the CIA, Reuters reported from Moscow.

Mr. Howard, 34, recounted his experiences as a CIA officer in the Soviet section from 1981 to 1983.

He said he had been trained to act as a contact with Soviet citizens working for the United States and to recruit new agents, but that he had never done anything that would put the national security of the U.S. in danger.

Suggestions that he had been working for Moscow before defecting were a slander, he declared.

## AQUINO:

Philippines Leader Is Still Popular but Plagued by Problems

(Continued from Page 1)

cal party, and some supporters fear that this disdain for politics will further undermine the effectiveness of her government when Filipino vote in local and legislative elections scheduled next year.

"In effect, she is abandoning the political leadership, and this will have very dangerous repercussions on congress," said the majority of a large provincial city. "Being an apolitical person, she cannot expect the credit for a political organization to support her presidency. The dynamics of government are not perceived by her. She expects people to follow her because she has good intentions."

In contrast to the directionless drift that is widely attributed to the Aquino government, Communist rebels and their leftist allies have emerged as the only unified force with a clear, common goal. The left has recovered, both rebel and military sources agree, from the lack of direction and disarray it displayed immediately following the Feb. 22-25 uprising that brought Mrs. Aquino to power.

"If Cory Aquino is seen as continually being soft on Communists to the point they become too strong, she will have to contend with a military that is very agitated," said a member of an armed forces reform movement that spearheaded the revolt against Ferdinand Marcos.

"If the military has to launch a corrective movement, I don't think it will be led for the Philippines," he added. He said there would be "no martial law" and that the military

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For full details, please contact the International Herald Tribune Conference Office, 68 Long Acre, London WC2E 9JL, United Kingdom. Telephone: (441) 336 4802. Telex: 262108.

INTERNATIONAL

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Published With The New York Times and The Washington Post



# the Cost

It has not become an influence in political matters concerning Black Africa. Neither is it a founding fathers of independence in Africa, a leading voice in continental affairs.

Expatriate business leaders and the conspiratorial despots who will on the Ivory Coast.

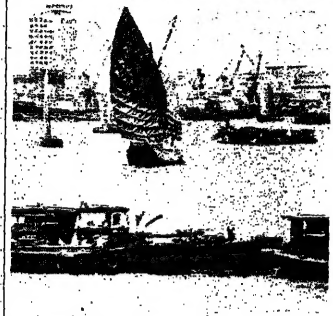
They say the country is being manipulated, but because the government consistently has been a stronger voice in the growth.

"The reason things are quiet is that too many people in the Ivory Coast are not willing to take the risk of living in Abidjan for the sake of a decent life."

"They have seen the more the neighbors have made in the area of independence, he said, the more they are not willing to take it all away."

# CHINA

## Beyond Beijing: "Growth Nodes" Bright Spots in China's Economy



China in recent years has opened up 14 coastal cities, and four "special economic zones" (aimed at export trade income), the latter along the south coast. But problems with the availability of hard currency, and a liquid domestic investment market, have stalled development.

Instead, three "growth nodes" have appeared in the Chinese economy. There, for various reasons, foreign investment and trade are growing more rapidly. The nodes are:

- The southern coast, from Hainan Island to the province of Fujian.
- The Shanghai area and its Yangtze River hinterland in central China.
- Tianjin, the capital's port city, and the neighboring Shandong peninsula, centered on the port of Qingdao (the old Tsingtao).

Other areas, of course, are not lagging in foreign-associated development (the northern port of Dalian, for instance, or

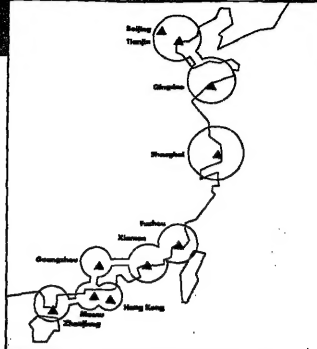
the city of Xian), but these first three are, for the moment, where the action is. They have problems, but the momentum of development in them is strong.

**Hainan-Fujian Axis**

It is easy to see why the Hainan-Fujian axis is lively. The foreign enclaves of Hong Kong and Macau are natural windows on the world. Vast amounts of Hong Kong investment have poured into this area, from tiny informal trading units to giant multi-lane freeway projects and a controversial nuclear power station. Of all the foreign investment in China since 1979, 80 percent is from Hong Kong and Macau.

However, the south coast is not without problems. The search for oil offshore has not been successful. From the Vietnam border to the Taiwan Strait, only one gas source of commercial exploitation size has been found. Therefore a lot of the hopes for development in the port of Zhanjiang, facing Hainan, and in the Zhuhai Special Economic Zone, bordering Macau, may have been over-optimistic.

There are, however, other possible resources. Semi-tropical produce such as sugar and rubber, and the development of good beach areas in Hainan and



Foreign investment has blossomed recently in China's "growth nodes."

Zhuhai, still beckon (there is already a golf resort in Zhuhai). Total production on Hainan is soaring (last year, 85 percent over 1980), with rubber, sugar cane, fish-farming and forestry in high gear. Previously sleepy little island ports now ship goods regularly to Hong Kong.

**Shenzhen's Problems**

The Shenzhen zone north of Hong Kong has proved economically disappointing so far. Net foreign-trade income does not seem to be flowing in very fast. But massive infrastructure and much domestic activity has been generated, more quickly and enthusiastically than had been planned, and so the spillover of foreign income is perceived as having been delayed. The fact is, however, that

the original plans were to loan export zones in both Xiamen (Amoy) and Fuzhou (Fochow). But Fuzhou's port, the centuries-old center of the tea trade, has long silted up; the cost of dredging enough to make an export zone would be prohibitive.

Thus, attention is concentrated on Xiamen, also an old-time sea and porcelain port with well-preserved relics of the European connection. On one of its islands, an export zone is growing fast, and much foreign finance from Japan, Indonesia, Malaysia and Hong Kong is being directed there. The problem: road and rail connections badly need rapid modernization and extension.

It is a sign of the political changes that, only a few years ago, the development of the Fujian coast was prohibited. The entire region facing Taiwan was a forbidden zone: shells were lobbed across the waterway in what came to be a somewhat farcical arrangement (each side took alternate periods, and the explosive shells gave way to canisters of propaganda leaflets). Today, within sight of Quemoy, with its Nationalist forces, Fuzhou is an open city.

**Top-dog Shanghai**

Shanghai and its environs should have taken off when China's trade doors were opened after 1979: fifty years

## Sinking Investment Spurs China Outward

China's exports looked brighter in the first six months of this year, but foreign direct investment is flowing in more slowly. It is down 20 percent in the first half of this year, during which 300 joint ventures involving equity capital, 250 ventures involving contractual work, and ten foreign wholly owned enterprises were approved. Domestic investment, meanwhile, has gotten somewhat overextended.

The reason: concern on the part of both foreign and Chinese negotiators that foreign exchange problems could affect operations for some time. The Bank for International Settlements calculates that China's net foreign assets are down from a peak of U.S. \$12.7 billion to about U.S. \$2.5 billion.

The fall, however, also includes an outward thrust for China into the fields of global banking, lending and borrowing. The country's merchant banking organs are becoming active abroad, and some foreign reserves have been spent on property and other developments in foreign countries. (This includes the rescue of some failed Hong Kong industries and banks). Therefore the foreign-asset shortage is not all sunk irretrievably in consumption spending.

China's financial sector is rapidly becoming more sophisticated, as the merchant banking initiatives show. Demonstrating this are three more very recent initiatives:

- Fujian Province plans to raise U.S. \$50 million by means of floating-rate notes with at least ten-year maturity, perhaps at a small percentage point above the London Interbank Offered Rate (LIBOR). Banking groups in Hong Kong and Singapore are being approached to arrange the borrowing.
- China's first stock exchange (more properly, a bond exchange) has opened. It is in Shenzhen, in the northeast. Investors are limited to buying and selling state-corporation bonds, and no foreigners may deal as yet. Shanghai has been stalling at an exchange which may include equity dealing.
- China has experienced its first bankruptcy. A group of state factories were put on notice that unless they improved production and profits, the plant could be closed and the top staff dismissed, while the assets were reorganized for a whole new management. This event would have been unthinkable under the Mao "iron rice-bowl" philosophy. One factory failed to improve, and was duly re-arranged.

**Visa Decision Takes Airlines in U.S. by Surprise**

WASHINGTON — The U.S. Department of State announced Sunday that it has decided to allow airlines to fly to the U.S. from Paris, a move now needed to allow U.S. airlines to fly to Paris.

Flight agents handling flights from the U.S. to Paris on Sunday said they have been given no new information about the new visa rules. Flights leaving Sunday morning were to arrive in France early Monday, after a new visa rule was to take effect. Trans World Airlines said it was leading its flight's agents.

In Paris, details were available about the new system to be implemented.

An Interior Ministry official said that his office, responsible for border checks, would not issue any indication by early this morning about the new system, try out the new policy.

"All we know so far is that we heard the prime minister's decision and it is official said."

The U.S. Embassy in Paris, apparently had no advice to give, France's embassy at the border.

"None of our diplomats is able to reach how they think about it," an interior spokeswoman said.

## PARIS: Visas Required

(Continued from Page 1)

Mr. Chirac included the deployment of 1,000 soldiers to France's land, air and sea bases to reinforce frontier controls.

The new visa regulations will be in force Monday, Mr. Chirac said.

The measures announced followed a meeting earlier this week chaired by Mr. Chirac, at which government ministers and officials including Interior Minister Jacques Fauriol, Foreign Minister Jean-Pierre Godeaux, Security Minister Bernard Lemaire and Justice Minister Alain Chabat.

The visa requirement marks a dramatic shift away from France's open border policy of the past years.

They will apply to citizens of the United States as well as to Middle Eastern countries who are previously able to enter France with few border formalities.

Acknowledging that the new restrictions would cause some confusion, Mr. Chirac asked for understanding of the new regulations. He said that the new regulations were designed to make it more difficult for terrorists to obtain false passports to enter France.

Political analysts said that the new anti-terrorist package was the conservative government's response to the terrorist attacks.

Promises to strengthen border order formed a central point in the right's successful election campaign in March.

Describing the campaign as a "war" on terrorism, Mr. Chirac said several times that "the terrorists are the enemy" and made to pay the highest price.

He said that he would not allow services would be used to down terrorist organizations. He pointedly refused to comment when asked if this meant that the government would approve of the terrorist organizations in any circumstances.

In its latest statement to the press agencies in Paris on Sunday, the French government would not say that we will not give any threat."

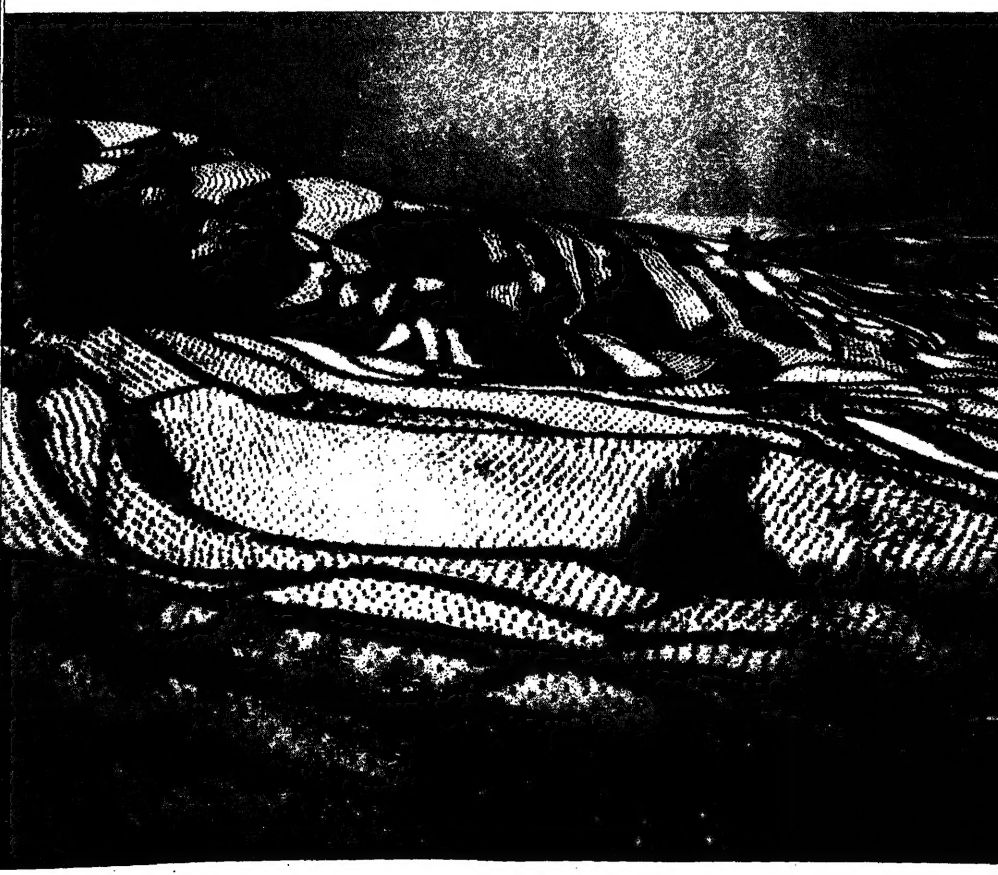
The two problems involved Sunday's visit had been raised by the Paris Renault, a popular French car manufacturer, which had been asked to support the package.

The package included a new law on terrorism and a new law on terrorism.

Police sources said the law was similar to one in the U.S. and would be in force from Sept. 8, they said.

There was no indication of any threat to the state.

## Well-cultivated in China



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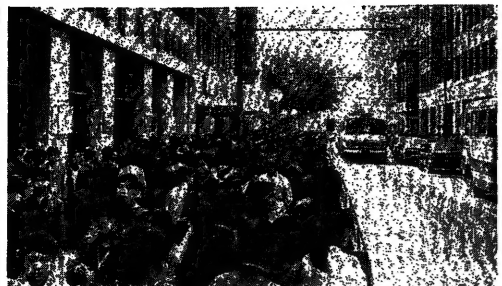
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## A Century of Growth For Hong Kong Bank



The Hong Kong and Shanghai Bank has enjoyed a stable, continuous relationship with the bustling port city of Shanghai since the middle of the 19th century.

When it comes to banking experience in the Chinese economy, the Hong Kong and Shanghai Bank is prominent. It was founded in 1865, an active era in the development of commercial law and practice. It was in the mid-1860s that the body of great corporate law was established in the West, regulating early formation of companies and the universal right to limited liability.

The tiny British colony of Hong Kong was only just over 20 years old then, but China trade was widening and deepening. Shanghai was the premier port and Hong Kong a premier entrepot, with financial and insurance expertise. Therefore, a cosmopolitan group of traders formed a special bank, named for these two places, to support this trade—not only with fi-

nance and the transmission of funds, but with research and information.

It swiftly became a leader in the burgeoning Far East trade. The late 19th century in China was a turbulent era, under the decaying Qing dynasty, and changes began as the 20th century arrived. The republic of Sun Yat-sen and Chiang Kai-shek ushered in a period rent by two world wars and the rise of militarily nationalistic pressures from many quarters.

But through it all, the Hong Kong and Shanghai Bank maintained and even expanded its branches and connections in the East, then reaching into the west coast of America and into Europe. It managed to keep operating even during China's bad times after 1949, through World War II (when head-

quarters was temporarily transferred to London) and up to the Mao period beginning in 1949.

In a sense, the link with Shanghai has never been broken. Even after 1949 its office never closed there, although it was eventually moved from a grand building around the corner to what had been a German consulate in a back street. Small staffs were maintained, and regularly renewed, all through the Mao years, although their work was confined to guarding many safe deposit boxes of old customers and keeping the premises in order.

Much happened meanwhile to the bank itself. It was after 1949 that Hong Kong grew to become the world manufacturing, trading and commercial power it is now, and the bank prospered. It now has over 300 branches in the colony alone, and is the leading banknote-issuing and deposit-holder (Hong Kong has no official "central bank"). The roles of such an institution are effectively shared by government departments, two commercial banks—one of them being the Hong Kong and Shanghai—and a banking association.

With the opening of China's doors once more to foreign finance and communications in about 1979, the Hong Kong Bank (as it is known now) has revived many of its old Chinese roles, including the research, information and contact functions. It offers the broadest representation of any foreign bank in China; however, it is far from being in a monopoly position. Such a thing is against the commercial ethos of Hong Kong, which thrives on open competition, nor is it in the interests of China. But it has accepted the challenge of being an "old hand" at the China game.

It has now seven fully-operating offices in China: four representative offices in Beijing, Tianjin, Guangzhou and Wu-

han, and three branches in Xi'an, Shenzhen and (of course) Shanghai. The latter initiative has been the opening of the Tianjin office, in the port city which serves Beijing and which has an energetic city management in its own right.

What is a giant "contribution" in central China? Xi'an is the old Army, on the burgeoning coast of Fujian province; Shenzhen is the brand-new "special economic zone" city, just across Hong Kong's border, built from a dull, muddy farming area into a tickle-high-rise metropolis in only a few years. Guangzhou is the old trading city of Canton.

Last year the bank formed a special subsidiary company, Hong Kong Bank China Services Ltd., as a separate profit center, supplying advice and research, as well as financing arrangements and other contacts. Newcomers to China trade often start with this channel (the office is in the new bank headquarters in Hong Kong).

The bank emphasizes project finance. It has already participated in the financing of more than 250 projects in China since 1979. "There is an increasing demand for research," say the China Services officials. Foreign firms have learned that it is wise to enter the kaleidoscopic market on the mainland with more than a little detailed groundwork in hand.

The bank has computerized a mass of research material from a data base from which quick retrieval and analysis is available. Bank officials stress that events and changes are occurring frequently in China, and constant updating is vital.

The bank publishes a special guide to China, in its "Business Profile" series of booklets, which is a crisp but thorough introduction to the largest economy in the world. For a quick run-down on how China works, and where it is heading, here are some excerpts from that booklet:

"China's long-term economic policies are formulated by the government at the behest of the (party consultative body). Detailed planning is effected by the State Planning Commission, a body directly under the State Council, mainly in the form of five-year plans. The

organization and preparation for the second decade, which is to be a period of rapid progress. The economy is anticipated to grow at an average annual rate of seven percent over the entire twenty years, and an average per capita income of U.S. \$800 (at 1980 price levels) for the nation is the target for 2000. "Priorities for development

## Asian Hotels Thrive, Holiday Inn No Exception

Hotel development in the Asia-Pacific region has been rapid over the past decade, and the Holiday Inn chain has been at the forefront of the development. It is now the largest chain in Asia, with 29 hotels offering 7,000 rooms in ten countries.

At the head of that list is the 1,020-room Holiday Inn Lido in Beijing, operating since 1984. It is the chain's largest establishment worldwide, in fact, and is one of four opened during this year in the region. Further expansion is due this year in India and Pakistan.

In China, Holiday Inn hotels are planned for Guilin, Xian, Xiamen (Amoy), Guangzhou (Canton), Shanghai and Dalian. The Xiamen hotel, in the southern Fujian province, and one of two hotels for Xian, an old imperial city, are already under construction.

In Xiamen the Holiday Inn will be aimed at the business traveler as well as the foreign tourist, because a special economic zone is being developed in that city. In Xian, the Holiday Inn is mainly tourist-oriented, because near that city is the recently excavated giant tomb of an emperor of 2,000 years ago, surrounded by thousands of terra cotta figures of horses and warriors.

Holiday Inn International plans such wide and rapid growth because the Asia-Pacific region is the "world's most rapidly developing area in travel

and tourism," according to Rudiger Koppen, senior vice president, stationed in the regional headquarters in Hong Kong. "We shall have 55 hotels with over 10,000 rooms by 1990, in the area from Pakistan to Japan and down to Australia." Holiday Inn has come a long way since the first Asian inn was opened in Kyoto in 1973.

Perhaps the most colorful of the chain's Asian projects is a 500-room hotel in Lhasa, Tibet. The contract was signed in 1984, this year, and was the first in occasional cooperative industry contract signed by Tibet.

## Economic Expansion Rides On Infrastructure Overhaul



Crucial to China's continued growth is the construction and upgrading of millions of miles of roads.

A few years ago a project manager in Asia, standing in muddy boots in his prefabricated site office, was asked what he thought was the key element in the success of a project in a developing country.

Was it the cost of production? No. Was it the level of technology of the equipment? No. Was it the skills of the work force? No. His reply: "Good, all-weather roads, in all directions."

Now China must upgrade millions of miles of roads, rail-

ways, packaging and storage capacity, manufacture or purchase vehicles for land, sea and air, and the modernize radio and telephone links country-wide and in space. A small selection of projects, for coastal development alone, are:

● Links with Hong Kong are increasing fast. On land, a third crossing into China has started; ground has been broken for two bridge-roads across the

Shenzhen River (one will open in 1988). China's first modern multi-lane railway, costing US\$550 million and financed from Hong Kong, is being built from Hong Kong to Guangzhou and down to Yantai, making it possible for the first time to drive between the two foreign enclaves.

● The rail-crossing from Hong Kong into China, previously the sole, and very restricted channel, has been modernized into a large container facility. Eventually the rail system will be dieselized or electrified by stages into the whole Chinese system.

● As sea, overboard and inland services now run into China regularly, the coastal shipping services along the coast from Hainan to the Taiwan Strait are being rapidly extended and modernized. The beginnings of sophisticated container-banding equipment are being installed at various ports.

● The coastal road, running from Fuzhou along to Shenzhen, long neglected, is now a busy highway, to be connected with a railway spur. Shenzhen may have its own port area soon.

● Shortages in the supply of power

● Scarcity on transportation

● Swiftly rising consumption funds

● Too much fixed-asset investment

● Rapidly rising prices of some commodities

"The policy is one of progress with caution and its success will be vital to the nation's modernization."

As for the role of Hong Kong, the bank notes:

"Hong Kong plays a unique role in China business:

● Over 20 percent of China's total world trade flows through Hong Kong.

● Hong Kong is China's largest export market.

● A very high percentage of China's total foreign investment is directly attributable to the Hong Kong business community.

● Almost every province, region and municipality in China now has a resident representative office in Hong Kong.

● Most major PRC Foreign Trade Corporations have subsidiaries, joint ventures, representative offices, agents or distributors in Hong Kong.

● Hong Kong has the most extensive air service network and communications links with China. Special visa arrangements, available only in Hong Kong, make travel to the PRC more convenient."

### All the lifting power you need

Powerful "Pagoda" Hydraulic Trolley Jacks from China.

Guangdong Machinery & Equipment Import & Export Corp. is proud of its well-designed powerful "Pagoda" brand hydraulic floor roller jack model YJ2QZ. Designed for pickups, cars and all kinds of machines.

"Pagoda" Hydraulic Trolley Jacks have got all the lifting you need.

Model	Lifting Capacity (ton)	Lifting height (mm)	Handle acting force (kg)	Size dimensions (mm)	Net weight (kg)
YJ2QG	2	250	61	534×220×136.5	12
YJ2Q	1.8	260	40	650×262×215	17.5

For more information contact:

China National Machinery & Equipment Import & Export Corporation, Guangdong Branch  
Address: 59 Zhenxin Road, Guangzhou, China.  
Cable: "GUINIMEX" GUANGZHOU  
Telex: 44426 GUINIM CN

## Stepping Out With Shoes From China

An indication of the importance of shoe design in China's Guangdong province is that China's National Arts & Crafts branch in Guangdong has responsibility for the manufacture and export marketing of a range of regular and casual shoes. Guangdong Arts & Crafts makes modern shoes for everyday wear and also sports shoes; gym shoes; rubber shoes; plastic shoes and

shoes with beaded and embroidery designs. We welcome joint ventures and are happy to manufacture to client's specifications. If you would like to know more about footwear from China, please contact us today:



China National Arts & Crafts Imp. & Exp. Corp., Guangdong Branch.  
Address: 2, Qiao Guang Road, Guangzhou, China.  
Cable: "ARTICANTON"  
Telex: 44379 KACBC CN

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Generations of skilled chefs in China have found that the secret of the best-prepared Chinese food is a handmade wok. The ideal wok must have a solid rim for easy handling and durability and a thin centre portion to provide the high temperatures essential to retain the food's freshness, flavour and nutritional value.

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### Good-looking Genuine Leather.

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MONDAY, SEPTEMBER 15, 1986

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EUROBONDS

Rout Shows Investors Feel Prices Don't Justify Risks

By CARL GEWIRTZ

PARIS — Markets around the world spoke with one voice last week, expressing profound anxiety that prices on the markets were not equal to the risks. The run was, in fact, a harbinger of rising interest rates and a quickened

In fact, the August sales increase of 0.8 percent announced Friday was lower than most analysts had been expecting. But by then the damage had been done. Prices on every major stock exchange were down a bundle and losses on bond prices had driven yields sharply higher.

The question yet to be answered is how much of this rout was an aberration and how much a reflection of the waning confidence that the Washington-Tokyo-Bonn axis can manage the world economy to sustained, non-inflationary growth.

The view at Salomon Brothers Inc. is that the sell-off had more to do with technology running amok with new financial instruments than with the fundamental economic outlook. The culprits in this scenario are computer-driven portfolio management programs that flash a signal to sell options or futures contracts when prices of the underlying securities breach a certain level. The aim is to protect the holdings in the portfolio against further price declines.

But such options and futures prices were falling faster than the securities, and other computer programs began flashing that it was cheaper to sell the securities and buy the options or futures. This technique prices fall, the breach point in other computer programs triggered more selling and the downward trend soon feeding on itself.

"It was not a matter of portfolio managers suddenly turning more bearish on the market," said Jeffrey Hanna, director of research at Salomon Brothers. He added, however, that the decline probably encouraged many investors to sell and take what profits remained to benefit from this year's lower tax rate. The capital gains tax, currently 20 percent, is to rise to 28 percent next year.

"Many of the same factors were at work" depressing the bond market, Mr. Hanna said, in this case fueled by fears that there would be no further cuts in interest rates.

BUT WHAT troubles Henry Kaufman, the firm's senior economist, is the increasing volatility in markets, which he links to "new features of the financial landscape that can at times overwhelm fundamentals."

Mr. Kaufman said market swings can be magnified by the "over-growth capacity to move funds around the world at a moment's notice via a multitude of means of financial structure designed to manage risk but also to assume risk quickly and with extraordinary leverage."

His conclusion, "Currently, confusion about the direction of the economy, inflation and interest rates has also made the market more vulnerable to the gyrations induced" by trading in the course of a day.

The view on the "fundamentals" at Salomon Brothers remains unchanged. The U.S. economy remains basically weak, the Federal Reserve will continue its easy monetary policy and the Japanese and West Germans will ultimately cut their interest rates to stabilize exchange rates as dollar interest rates continue to rise.

Mr. Hanna sees the Treasury's 30-year bond, which hit a yield of 7 1/2 percent this week, trading in a range of between 7 and 8 percent — a good price, he said, for a bond of this maturity. Michael Roesch, head of international fixed-income research at Merrill Lynch, believes last week's rout in the bond market will cause investors to demand more reward for the risk of holding paper.

With the U.S. budget deficit yet to be pared and monetary policy easy, investors want more protection against inflation. This translates into a stronger dollar, he said, but also sharply higher yields — with longer-dated paper yielding substantially more than short-term instruments.

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Bonds Edging Higher

But Price Savings Dominate Trade

By Michael Quint

NEW YORK — With wild price gyrations and heavy volume, the U.S. bond market is experiencing tempestuous trading. Bonds edged Friday with a modest gain in price. But on Thursday, fears of higher interest rates caused a sharp drop in Treasury bond prices.

As Friday progressed, the concern over interest rates faded, and the market moved back to a more normal trading pattern. The U.S. Treasury's 30-year bond, which hit a yield of 7 1/2 percent this week, trading in a range of between 7 and 8 percent — a good price, he said, for a bond of this maturity.

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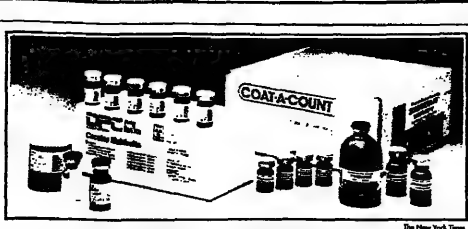
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Two products for drug testing: a morphine kit and a cocaine metabolite kit.

Market for Drug Tests Is Booming

By Calvin Sims

NEW YORK — As the U.S. government and more and more large corporations consider adopting mandatory tests for drug use among job applicants and employees, the market for such tests is booming.

The market for the tests is estimated at \$80 million a year, the U.S. Drug Enforcement Administration says. The tests are used by police, for instance, to monitor the levels of medication prescribed by physicians.

Some of the new entries in testing for abuse drugs are: a Diagnostic Product Corp. test, which has not received approval from the Federal Drug Administration, is undergoing tests at three universities.

Despite the anticipated growth in drug testing, these new companies may find some difficulty in penetrating the market. Abbott Laboratories, an analyst with L.F. Rothschild, Unterberg, Towbin Inc., said, "These companies that have been in the marketplace for some time will be steps ahead of the rest."

The lab uses two types of tests to detect drugs: inexpensive screening tests to identify users and more expensive confirmatory tests to confirm the results.

European Airlines Cut Passenger, Profit Forecast

By Steven J. Dryden

BRUSSELS — European airlines have slashed passenger forecasts for the 1987 season, according to a survey by the International Air Transport Association (IATA).

Passenger levels for flights into Europe are unlikely to grow by more than 1 percent in 1987, according to the survey, which represents 20 major airlines.

The reduced growth rate would mean about one million passengers less than the 43.5 million expected last year.

The association said that overall profits for European airlines this year would most likely show a decline.

Karl-Helm Neumann, the association's director general, said the profit level is especially significant because only this year have airlines begun to recover from the recession of the late 1980s.

European airlines showed a net profit of about \$750 million in 1985, according to the association. Mr. Neumann said the fear of a recession in 1987, after the Chernobyl nuclear accident, was probably reasons for the reduced growth.

Individual European airlines reported contrasting results and forecasts for this year.

Paris — French share prices fell 5 percent last week, hampered by anxieties over the U.S. economy and fears of higher interest rates.

The sharpest losses were on Friday, when the CAC index gave up 1.99 percent over Thursday's sluggish trading.

For the week as a whole, 150 million shares changed hands at 383.8 francs, down from 411.4 on the last day of trading in the previous week.

Trading was affected by international terrorist incidents and uncertainty over Montenegro's future relations with Yugoslavia and the Balkans. Analysts remained generally optimistic for the current week, particularly after a meeting on Friday that set aside a conflict between Montenegro and Yugoslavia over the insurance firm Fondriat.

First ordinary shares were down 8.57 percent; preference shares were off 10.15 percent. Industrials led the decline, with losses as high as 10.15 percent, and Foodstuffs, 3.58 percent.

MILAN — Share prices on the Milan stock exchange recorded an overall 4.61-percent drop last week, as trading was depressed in the aftermath of the declines on Wall Street. But the fall on Friday was

clinging crude prices. Gold and platinum mines reflected the slide in precious metal prices, but rallying on Friday on renewed strength in gold and platinum prices.

Brokers were on the whole optimistic that this week's plunge would prove to be a mere "hiccup."

WORLD STOCKS IN REVIEW / Via Agencies France-Press

Amsterdam

AMSTERDAM — Trading was hesitant on the Amsterdam stock exchange last week amid fears of interest rate hikes. As a result, financial values were under pressure.

The decline of the ANEX-BS general share index to 288.3 last Friday, down from 301.4 a week earlier, reflected lower prices for the international, especially Royal Dutch and Unilever. Turnover was 1,564 million guilders up from 1,482 million the previous week.

The perceived upswing of the U.S. economy has dampened hopes of a reduction in interest rates.

Stockholders Kempen & Co. said that despite the price center, Friday's morning session. Brokers said the market collapsed in the afternoon with news of a police investigation of the Wing On Group of companies, eventually dropping 31.59 points to close at 1,964.5.

Friday's turnover of 678.58 million Hong Kong dollars boosted the Hong Kong exchange to 502.81 million Hong Kong dollars.

LONDON — The Dow Jones index's biggest-ever fall on Friday prompted sharp losses among London shares. The sentiment was also soured by inflation and interest rate fears and by a round of disappointing corporate results.

The Financial Times industrial share index closed down 67.5 points on the week, at 1,270.9, its lowest level for three weeks. The volume of transactions fell to 107,136, against 110,765.

BAI Industries and Bowater benefited from interest rate declines, including British Telecom, British Aerospace, Connaught, British Airways, and others.

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GATT Meeting Opens Today Amid Discord

By Clyde H. Farnsworth

New York Times Service

WASHINGTON — The largest meeting of trade ministers in history opens in Uruguay Monday to try to minimize the eighth major effort to liberalize trade since World War II.

The conference is intended to set the agenda in such fields as agriculture and services for the new trade rounds. With the global trading stands higher than ever before and the issues more bitterly divisive, participants are already warning that the session may collapse.

France is resisting an American effort to eliminate 10 farm subsidies by the year 2000. And the United States is threatening to withdraw if it does not win approval of its priorities.

The U.S. administration wants to show protectionist forces in Congress that the country will gain more by opening foreign markets than by closing U.S. markets. In a bid to show real opportunities for trade expansion, it is pressing to extend trade rules to services.

Developing countries, struggling with farm payments and other commodity policies, are resisting such demands. They see the U.S. initiative as a means of pushing American banks and insurance companies into their economies.

The weeklong meeting brings together 92 governments, or contracting parties, that are signatories to the General Agreement on Tariffs and Trade. After seven previous rounds, all within a GATT framework, world trade has grown eightfold. But it is now 15 years since the last effort, the so-called Tokyo Round, started.

The latest initiative comes as the world economy has been battered by sharp oil price fluctuations, foreign-debt problems in Latin Amer-

ica and trade imbalances in the industrialized countries.

The United States is more dependent on the global market than ever before. Last year imports and exports represented one-fifth of the nation's output of goods and services.

Regan administration officials call the new round a cornerstone of their international economic policy. Global trade expansion is seen as the key to renewed growth and resolution of both the debt crisis and the huge U.S. trade deficit.

Third World countries are calling for a standstill on protectionist measures in the United States and other developed countries.

Henry R. Nau, formerly on President Reagan's National Security Council and now a professor at George Washington University, said standstill and rollback commitments might lead to the phasing out of U.S. textile and steel curbs.

The European Community and Japan, both of which favor extension of the negotiations to services, might make similar commitments.

Even before the talks begin, some compromises have been discussed. One is to swap a freeze by the United States on filing unfair trade cases for a date for completion of negotiations on services.

"There have to be trade-offs. I think we've got to be willing to discuss everything," said Senator Max Baucus, chairman of Montana, a leading Senate Finance Committee member.

LADB Affiliate To Aid Business

United Press International

CARACAS — A new affiliate of the Inter-American Development Bank will assist the private sector in Latin America with the financing of economic intervention by governments, a U.S. official has said.

James W. Conway, the U.S. representative on the bank's governing board, spoke Friday at the organizational meeting of the 16-nation Inter-American Investment Corp.

The corporation, with \$300 million in subscribed capital, will guarantee loans to small and medium-sized businesses in Latin America.

PERFORMANCE RESULTS FOR BEGINNING OF YEAR

\$10,000 JANUARY 1st 1986 HAS BECOME \$15,422 SEP. 1st, 1986

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Loss Reflects Expansion

drawing on the rest of our...

...worldwide, we are...

...about 500 hotels.

"We do a pretty detailed...

...analysis of the human resources...

...needed for the environment of...

...a new hotel," he said. "It's...

...big challenge for us to find...

...the right kind of people to...

...some of the people to...

...train and retain them in...

...the business of large, modern...

...hotels."

The Great Wall Hotel in...

Beijing and the Hua Ting...

Shanghai are the largest...

in the Sheraton chain...

the United States. But the...

...Corporation is not at...

...developing giant 1000...

...establishments. It believes...

...the smaller, more...

...train and retain them in...

...the business of large, modern...

...hotels."

In addition to plans to...

...off such a club hotel in...

...Shanghai, the Sheraton...

...the Sheraton chain...

...the United States. But the...

...Corporation is not at...

...developing giant 1000...

...establishments. It believes...

...the smaller, more...

...train and retain them in...

...the business of large, modern...

...hotels."







# International Bond Prices

(Continued)

Country	Security	% Yield	Price	High	Low	Open	Close
SOUTH AMERICA	Brazil Govt 1990	12.50	102.00	102.00	102.00	102.00	102.00
	Brazil Govt 1991	13.00	101.50	101.50	101.50	101.50	101.50
	Brazil Govt 1992	13.50	101.00	101.00	101.00	101.00	101.00
	Brazil Govt 1993	14.00	100.50	100.50	100.50	100.50	100.50
	Brazil Govt 1994	14.50	100.00	100.00	100.00	100.00	100.00
	Brazil Govt 1995	15.00	99.50	99.50	99.50	99.50	99.50
	Brazil Govt 1996	15.50	99.00	99.00	99.00	99.00	99.00
	Brazil Govt 1997	16.00	98.50	98.50	98.50	98.50	98.50
	Brazil Govt 1998	16.50	98.00	98.00	98.00	98.00	98.00
	Brazil Govt 1999	17.00	97.50	97.50	97.50	97.50	97.50
SPAIN	Spain Govt 1990	10.00	102.00	102.00	102.00	102.00	102.00
	Spain Govt 1991	10.50	101.50	101.50	101.50	101.50	101.50
	Spain Govt 1992	11.00	101.00	101.00	101.00	101.00	101.00
	Spain Govt 1993	11.50	100.50	100.50	100.50	100.50	100.50
	Spain Govt 1994	12.00	100.00	100.00	100.00	100.00	100.00
	Spain Govt 1995	12.50	99.50	99.50	99.50	99.50	99.50
	Spain Govt 1996	13.00	99.00	99.00	99.00	99.00	99.00
	Spain Govt 1997	13.50	98.50	98.50	98.50	98.50	98.50
	Spain Govt 1998	14.00	98.00	98.00	98.00	98.00	98.00
	Spain Govt 1999	14.50	97.50	97.50	97.50	97.50	97.50
SUPRANATIONAL	World Bank 1990	9.00	102.00	102.00	102.00	102.00	102.00
	World Bank 1991	9.50	101.50	101.50	101.50	101.50	101.50
	World Bank 1992	10.00	101.00	101.00	101.00	101.00	101.00
	World Bank 1993	10.50	100.50	100.50	100.50	100.50	100.50
	World Bank 1994	11.00	100.00	100.00	100.00	100.00	100.00
	World Bank 1995	11.50	99.50	99.50	99.50	99.50	99.50
	World Bank 1996	12.00	99.00	99.00	99.00	99.00	99.00
	World Bank 1997	12.50	98.50	98.50	98.50	98.50	98.50
	World Bank 1998	13.00	98.00	98.00	98.00	98.00	98.00
	World Bank 1999	13.50	97.50	97.50	97.50	97.50	97.50

Country	Security	% Yield	Price	High	Low	Open	Close
GERMANY	Germany Govt 1990	8.00	102.00	102.00	102.00	102.00	102.00
	Germany Govt 1991	8.50	101.50	101.50	101.50	101.50	101.50
	Germany Govt 1992	9.00	101.00	101.00	101.00	101.00	101.00
	Germany Govt 1993	9.50	100.50	100.50	100.50	100.50	100.50
	Germany Govt 1994	10.00	100.00	100.00	100.00	100.00	100.00
	Germany Govt 1995	10.50	99.50	99.50	99.50	99.50	99.50
	Germany Govt 1996	11.00	99.00	99.00	99.00	99.00	99.00
	Germany Govt 1997	11.50	98.50	98.50	98.50	98.50	98.50
	Germany Govt 1998	12.00	98.00	98.00	98.00	98.00	98.00
	Germany Govt 1999	12.50	97.50	97.50	97.50	97.50	97.50
FRANCE	France Govt 1990	7.50	102.00	102.00	102.00	102.00	102.00
	France Govt 1991	8.00	101.50	101.50	101.50	101.50	101.50
	France Govt 1992	8.50	101.00	101.00	101.00	101.00	101.00
	France Govt 1993	9.00	100.50	100.50	100.50	100.50	100.50
	France Govt 1994	9.50	100.00	100.00	100.00	100.00	100.00
	France Govt 1995	10.00	99.50	99.50	99.50	99.50	99.50
	France Govt 1996	10.50	99.00	99.00	99.00	99.00	99.00
	France Govt 1997	11.00	98.50	98.50	98.50	98.50	98.50
	France Govt 1998	11.50	98.00	98.00	98.00	98.00	98.00
	France Govt 1999	12.00	97.50	97.50	97.50	97.50	97.50

Country	Security	% Yield	Price	High	Low	Open	Close
JAPAN	Japan Govt 1990	6.00	102.00	102.00	102.00	102.00	102.00
	Japan Govt 1991	6.50	101.50	101.50	101.50	101.50	101.50
	Japan Govt 1992	7.00	101.00	101.00	101.00	101.00	101.00
	Japan Govt 1993	7.50	100.50	100.50	100.50	100.50	100.50
	Japan Govt 1994	8.00	100.00	100.00	100.00	100.00	100.00
	Japan Govt 1995	8.50	99.50	99.50	99.50	99.50	99.50
	Japan Govt 1996	9.00	99.00	99.00	99.00	99.00	99.00
	Japan Govt 1997	9.50	98.50	98.50	98.50	98.50	98.50
	Japan Govt 1998	10.00	98.00	98.00	98.00	98.00	98.00
	Japan Govt 1999	10.50	97.50	97.50	97.50	97.50	97.50
UK	UK Govt 1990	9.00	102.00	102.00	102.00	102.00	102.00
	UK Govt 1991	9.50	101.50	101.50	101.50	101.50	101.50
	UK Govt 1992	10.00	101.00	101.00	101.00	101.00	101.00
	UK Govt 1993	10.50	100.50	100.50	100.50	100.50	100.50
	UK Govt 1994	11.00	100.00	100.00	100.00	100.00	100.00
	UK Govt 1995	11.50	99.50	99.50	99.50	99.50	99.50
	UK Govt 1996	12.00	99.00	99.00	99.00	99.00	99.00
	UK Govt 1997	12.50	98.50	98.50	98.50	98.50	98.50
	UK Govt 1998	13.00	98.00	98.00	98.00	98.00	98.00
	UK Govt 1999	13.50	97.50	97.50	97.50	97.50	97.50

Country	Security	% Yield	Price	High	Low	Open	Close
CANADA	Canada Govt 1990	10.00	102.00	102.00	102.00	102.00	102.00
	Canada Govt 1991	10.50	101.50	101.50	101.50	101.50	101.50
	Canada Govt 1992	11.00	101.00	101.00	101.00	101.00	101.00
	Canada Govt 1993	11.50	100.50	100.50	100.50	100.50	100.50
	Canada Govt 1994	12.00	100.00	100.00	100.00	100.00	100.00
	Canada Govt 1995	12.50	99.50	99.50	99.50	99.50	99.50
	Canada Govt 1996	13.00	99.00	99.00	99.00	99.00	99.00
	Canada Govt 1997	13.50	98.50	98.50	98.50	98.50	98.50
	Canada Govt 1998	14.00	98.00	98.00	98.00	98.00	98.00
	Canada Govt 1999	14.50	97.50	97.50	97.50	97.50	97.50

## NASDAQ National List

OTC consolidated trading for week ended Friday.

Symbol	Price	High	Low	Open	Close
AAVE	10.00	10.00	10.00	10.00	10.00
AB	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00

Symbol	Price	High	Low	Open	Close
AAVE	10.00	10.00	10.00	10.00	10.00
AB	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00

### Treasury Bonds

Maturity	Yield	Price	High	Low	Open	Close
10/15/86	8.00	102.00	102.00	102.00	102.00	102.00
10/15/87	8.50	101.50	101.50	101.50	101.50	101.50
10/15/88	9.00	101.00	101.00	101.00	101.00	101.00
10/15/89	9.50	100.50	100.50	100.50	100.50	100.50
10/15/90	10.00	100.00	100.00	100.00	100.00	100.00

### Wall Street Review

Symbol	Price	High	Low	Open	Close
AAVE	10.00	10.00	10.00	10.00	10.00
AB	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00
ABT	10.00	10.00	10.00	10.00	10.00

Country	Security	% Yield	Price	High	Low	Open	Close
EURO CURRENCY UNITS	EURO 1990	8.00	102.00	102.00	102.00	102.00	102.00
	EURO 1991	8.50	101.50	101.50	101.50	101.50	101.50
	EURO 1992	9.00	101.00	101.00	101.00	101.00	101.00
	EURO 1993	9.50	100.50	100.50	100.50	100.50	100.50
	EURO 1994	10.00	100.00	100.00	100.00	100.00	100.00
	EURO 1995	10.50	99.50	99.50	99.50	99.50	99.50
	EURO 1996	11.00	99.00	99.00	99.00	99.00	99.00
	EURO 1997	11.50	98.50	98.50	98.50	98.50	98.50
	EURO 1998	12.00	98.00	98.00	98.00	98.00	98.00
	EURO 1999	12.50	97.50	97.50	97.50	97.50	97.50

Country	Security	% Yield	Price	High	Low	Open	Close
FRENCH FRANCS	France Govt 1990	7.50	102.00	102.00	102.00	102.00	102.00
	France Govt 1991	8.00	101.50	101.50	101.50	101.50	101.50
	France Govt 1992	8.50	101.00	101.00	101.00	101.00	101.00
	France Govt 1993	9.00	100.50	100.50	100.50	100.50	100.50
	France Govt 1994	9.50	100.00	100.00	100.00	100.00	100.00
	France Govt 1995	10.00	99.50	99.50	99.50	99.50	99.50
	France Govt 1996	10.50	99.00	99.00	99.00	99.00	99.00



**NASDAQ National Market**

OTC Consolidated trading for week ended Friday

Selling in 1950				Net			
Year	High	Low	Close	Year	High	Low	Close
1950	1.10	1.00	1.05	1950	1.10	1.00	1.05
1951	1.15	1.05	1.10	1951	1.15	1.05	1.10
1952	1.20	1.10	1.15	1952	1.20	1.10	1.15
1953	1.25	1.15	1.20	1953	1.25	1.15	1.20
1954	1.30	1.20	1.25	1954	1.30	1.20	1.25
1955	1.35	1.25	1.30	1955	1.35	1.25	1.30
1956	1.40	1.30	1.35	1956	1.40	1.30	1.35
1957	1.45	1.35	1.40	1957	1.45	1.35	1.40
1958	1.50	1.40	1.45	1958	1.50	1.40	1.45
1959	1.55	1.45	1.50	1959	1.55	1.45	1.50
1960	1.60	1.50	1.55	1960	1.60	1.50	1.55
1961	1.65	1.55	1.60	1961	1.65	1.55	1.60
1962	1.70	1.60	1.65	1962	1.70	1.60	1.65
1963	1.75	1.65	1.70	1963	1.75	1.65	1.70
1964	1.80	1.70	1.75	1964	1.80	1.70	1.75
1965	1.85	1.75	1.80	1965	1.85	1.75	1.80
1966	1.90	1.80	1.85	1966	1.90	1.80	1.85
1967	1.95	1.85	1.90	1967	1.95	1.85	1.90
1968	2.00	1.90	1.95	1968	2.00	1.90	1.95
1969	2.05	1.95	2.00	1969	2.05	1.95	2.00
1970	2.10	2.00	2.05	1970	2.10	2.00	2.05
1971	2.15	2.05	2.10	1971	2.15	2.05	2.10
1972	2.20	2.10	2.15	1972	2.20	2.10	2.15
1973	2.25	2.15	2.20	1973	2.25	2.15	2.20
1974	2.30	2.20	2.25	1974	2.30	2.20	2.25
1975	2.35	2.25	2.30	1975	2.35	2.25	2.30
1976	2.40	2.30	2.35	1976	2.40	2.30	2.35
1977	2.45	2.35	2.40	1977	2.45	2.35	2.40
1978	2.50	2.40	2.45	1978	2.50	2.40	2.45
1979	2.55	2.45	2.50	1979	2.55	2.45	2.50
1980	2.60	2.50	2.55	1980	2.60	2.50	2.55
1981	2.65	2.55	2.60	1981	2.65	2.55	2.60
1982	2.70	2.60	2.65	1982	2.70	2.60	2.65
1983	2.75	2.65	2.70	1983	2.75	2.65	2.70
1984	2.80	2.70	2.75	1984	2.80	2.70	2.75
1985	2.85	2.75	2.80	1985	2.85	2.75	2.80
1986	2.90	2.80	2.85	1986	2.90	2.80	2.85
1987	2.95	2.85	2.90	1987	2.95	2.85	2.90
1988	3.00	2.90	2.95	1988	3.00	2.90	2.95
1989	3.05	2.95	3.00	1989	3.05	2.95	3.00
1990	3.10	3.00	3.05	1990	3.10	3.00	3.05
1991	3.15	3.05	3.10	1991	3.15	3.05	3.10
1992	3.20	3.10	3.15	1992	3.20	3.10	3.15
1993	3.25	3.15	3.20	1993	3.25	3.15	3.20
1994	3.30	3.20	3.25	1994	3.30	3.20	3.25
1995	3.35	3.25	3.30	1995	3.35	3.25	3.30

(Continued on next page)

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You will find below a listing of job positions published last Thursday under the rubric International Positions.

Annexure showing the Fourteenth Schedule Positions.		
TITLE	SALARY	EMPLOYER
EUROPEAN REAL ESTATE ACQUISITION MANAGER	Good	Digital Equipment Corporation Int. Europe.
HEAD OF ASIA REGION	£13,530.93 - 16,332.27	Amnesty International.
DEPUTY OF RESEARCH	£15,211.73 - 18,013.07	Amnesty International.
HUMAN RIGHTS IN THE MIDDLE EAST	£10,169.33 - 12,970.57	Amnesty International.
EUROPEAN TRAINING DEVELOPMENT MANAGER	Good	Price Waterhouse.
SENIOR SALES EXECUTIVE		A leading U.K. Securities House.
BUSINESS MANAGER		VIS.
PERSONNEL MANAGER	Good	ILCA.
TECHNICAL WRITER		Thomson CGR.

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Telex: 22507





**Cabinet to Study French Budget**

PARIS—The cabinet is due to meet on Monday to study the budget for 1969. The government is expected to announce a 17 billion franc increase in the 1969 budget, which would bring the total to 280 billion francs. The increase is expected to be in the form of a 10 percent increase in the 1969 budget, which would bring the total to 280 billion francs. The increase is expected to be in the form of a 10 percent increase in the 1969 budget, which would bring the total to 280 billion francs.

stone Medical Corp., plans to launch a test on the market in 30 days. The test, called Quick Test Drug, is a rapid test for the presence of morphine, cocaine, and heroin in urine. The test is expected to be a significant advance in the field of drug testing.

Table with 3 columns: Name, Price, and other details. Includes various financial data and market prices.

**Mutual Funds**

Table with multiple columns listing various mutual funds, their performance, and other financial details. Includes fund names like 'Fidelity', 'Investment Company of America', etc.

**MANUFACTURE FRANÇAISE DES PNEUMATIQUES MICHELIN**

FRF 750,000,000

8 1/2 % Bonds due 1993

Lazard Frères et Cie      Crédit Commercial de France

- Algemeine Bank Nederland N.V.
- Banque Indosuez
- Bayrische Vereinsbank Aktiengesellschaft
- Crédit Agricole
- Deutsche Bank Capital Markets Limited
- EBC Amro Bank Limited
- Generale Bank
- Kreditbank International Group
- Morgan Guaranty Ltd.
- Société Générale
- Uniontrust (Goerens) Limited
- S.G. Warburg Securities

- Banco Commerciale Italiana
- Bank of Tokyo International Limited
- Banque Française du Commerce Extérieur
- Banque Générale du Luxembourg S.A.
- Banque Louis-Dreyfus
- Banque de Neufville, Schlumberger, Muller
- Berliner Handels- und Bankverein
- Chemical Bank International Group
- Compagnie Monégasque de Banque
- Crédit Industriel et Commercial de Paris
- Crédito Italiano
- L'Européenne de Banque
- Goldman Sachs International Corp.
- Kleinwort, Benson Limited
- Nederlandsche Middenstandsbank N.V.
- Swenska Handelsbanken Group

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**American Exchange Options**

Flourish as of close of trading Friday.

Table with multiple columns showing exchange rates and market data for various currencies and commodities.

Table with multiple columns showing exchange rates and market data for various currencies and commodities.

**ESCORTS & GUIDES**

INTERNATIONAL ESCORT SERVICE  
USA & WORLDWIDE  
LONDON  
LONDON KENSINGTON

**REGENCY NY**

AMSTERDAM  
MADRID  
MAYHAY CLUB  
CAPRICE-NY

**ESCORTS & GUIDES**

CHERSEA ESCORT SERVICE  
AMSTERDAM  
MADRID  
MAYHAY CLUB

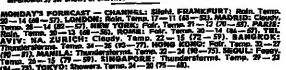
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**GARFIELD**

IT'S GETTING HUNGRY! OUT HERE I WANT TO AGONY IT, BUT I'D BETTER FIND WORK. BUT WHAT CAN I DO?

BINGO!

[illegible]

leads. North, trump. Diamond ace alone is his discard.

East, South on no-trump, and, and it is all he leads his. East takes 13 tricks in a diamond lead. He leads the 12th trick. East leads the 13th trick, and all 13 tricks, the diamond dummy's suit. He leads the 12th trick. East leads the 13th trick.

West East South North  
 ♠ A K Q J 3 2  
 ♥ 7 6 5 4 3 2  
 ♦ A Q J 3 2  
 ♣ A

WEST EAST  
 ♠ 7 6 5 4 3 2  
 ♥ A Q J 3 2  
 ♦ A K Q J 3 2  
 ♣ A

SOUTH  
 ♠ —  
 ♥ K  
 ♦ A K Q J 3 2  
 ♣ A

Each side wins 13 tricks.

bidding:

North	East	South	West
2 ♠	3 ♠	3 ♠	Pass
3 ♠	4 ♠	4 ♠	Pass
Pass	Pass	Pass	Pass

West led the spade suit.

ON the diagrammed deal, a seven trump contract, East would succeed with a particular lead but fail by nine or ten tricks after another.

The constructed deal shown in the diagram is the ultimate in artificiality. It features a strong artificial two-club opening bid. East makes a cunning pass, planning to back in with hearts later. This proves impossible when South responds three diamonds, showing the ace of clubs that suit in his methods, and North bids seven spades.

In North a bad server, East dou-

Whichever ace he leads, South can ruff and discard, leaving the diamonds to be lost to the lower trumps.

But luckily East panics into leading East doubles again to West. It is a double, but not a takeout double. If West leads a heart, his partner will ruff. But if he leads North's spade North will again discard, and East is unblockable. The choice of only 6,290 points

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[illegible]



SPORTS

# Michigan Squeaks Past Gritty Notre Dame, 24-23

United Press International

SOUTH BEND, Ind., Sept. 14—

Notre Dame, starved for

success following five years of

coaching mediocrity under Gerry

Parsons, witnessed the immediate ef-

fects of the Holy touch—dis-

cipline, and inspired play against

one of the nation's finest teams.

Notre Dame's Fighting

Irish defeated Michigan 24-23 in

John Carney's field-goal attempt with

13 seconds left in the game.

Before Notre Dame Stadium

crowd of 59,075, Jamie Morris

scored two of his three touchdowns

within a 40-second span of the

third quarter to help the Wolver-

ines to a season-opening victory.

"Daddy, the Irish, Notre Dame

has been the Irish for a long time,"

said Parsons, who coached the

team for 11 years. "It's a great

team, and it's a great victory for

the Irish."

Michigan's defense, which

held the Irish to 14 points, was

led by defensive end Mike

McNabb, who had a career-high

11 sacks. McNabb's performance

was a key factor in Michigan's

win.

Michigan's offense, which

scored 24 points, was led by

quarterback John Elway, who

threw for 240 yards and three

touchdowns.

Elway's performance was a

key factor in Michigan's win.

Michigan's defense, which

held the Irish to 14 points, was

led by defensive end Mike

McNabb, who had a career-high

11 sacks. McNabb's performance

was a key factor in Michigan's

win.

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scored 24 points, was led by

quarterback John Elway, who

threw for 240 yards and three

touchdowns.

Elway's performance was a

key factor in Michigan's win.

Michigan's defense, which

held the Irish to 14 points, was

led by defensive end Mike

McNabb, who had a career-high

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was a key factor in Michigan's

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Elway's performance was a

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Michigan's defense, which

held the Irish to 14 points, was

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Michigan's offense, which

scored 24 points, was led by

quarterback John Elway, who

threw for 240 yards and three

touchdowns.

Elway's performance was a

key factor in Michigan's win.

Michigan's defense, which

held the Irish to 14 points, was

led by defensive end Mike

who last season led the nation in

passing efficiency, appeared to

clinch the victory with three min-

utes left by firing a 38-yard strike

to John Kolarik to beat Michigan out

of a third-down hole in its own 22.

But Wes Prichett recovered a

Wolverine fumble at the Notre

Dame 25 with 1:33 left, and Bese-

lieron punted the ball to the Irish

33 yards and Matt Jackson for 16.

Carney, who also missed an extra-

point try, was wide left on his 45-

yard field goal with 0:13 remaining.

Brown scored on a 3-yard run,

Green (converted receiver) had a

1-yard TD plunge and Ben after

finishing with 455 yards in total

offense.

Michigan took a 17-14 lead when

Morris ran 16 yards to a first

period score. The Wolverines' Doug

Mallory recovered a fumble on

the ensuing kickoff, and Morris

scored on a 14-yard run to tie the

game at 17-17. Morris' run was

caught 27-yards from Harbaugh.

Green kicked a 25-yard field

goal to give Michigan a 20-17 lead

with 1:14 left in the third

quarter. The Irish, who were

coming down with a potential

game-winning extra point, were

unable to convert.

Notre Dame's Chris Adams

scored on a 16-yard run to tie the

game at 20-20. Adams' run was

caught 27-yards from Harbaugh.

Green kicked a 25-yard field

goal to give Michigan a 23-20 lead

with 0:45 left in the game.

Michigan's defense, which

held the Irish to 14 points, was

led by defensive end Mike

McNabb, who had a career-high

11 sacks. McNabb's performance

was a key factor in Michigan's

win.

Michigan's offense, which

scored 24 points, was led by

quarterback John Elway, who

threw for 240 yards and three

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Elway's performance was a

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